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CERTIFICATION UNIT

WEIL, GOTSHAL & MANGES

767 FIFTH AVENUE • NEW YORK, N.Y. 10022

TELEPHONE: (212) PLAZA 8-7800

CABLE: "WEGOMA"

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RECORDATION NO. _____ Filed & Recorded

8-1531024

JUN 2 1978 -9 25 AM May 26, 1978

INTERSTATE COMMERCE COMMISSION

No. JUN 2 1978

Date.....

Fee \$ 50

100 Washington D.C.

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitutional Avenue, N.W.
Room 1227
Washington, D.C. 20423

Dear Ms. Lee:

Enclosed herewith please find the following:

1. Three copies of a mortgage agreement between Northern Associates of 7777 State Road, Philadelphia, Pennsylvania, as mortgagor and General Electric Credit Corporation of 260 Long Ridge Road, Stamford, Connecticut as mortgagee.
2. Copies of Uniform Commercial Code Financing Statements which statements set forth the specific personal property secured under the mortgage agreement.
3. Check payable to the Interstate Commerce Commission in the sum of \$50.00 representing payment of your filing fee.

The aforesaid mortgage was executed to secure a loan made by the mortgagee to the mortgagor and covers certain real and personal property located in Philadelphia, Pennsylvania. Included in the secured personalty are a locomotive (General Electric model #451, serial #32467) and certain railroad track. We respectfully request that you place the enclosed document on record.

Please do not hesitate to call (212) 758-7800, if you have any questions concerning the enclosed documents or

WEIL, GOTSHAL & MANGES

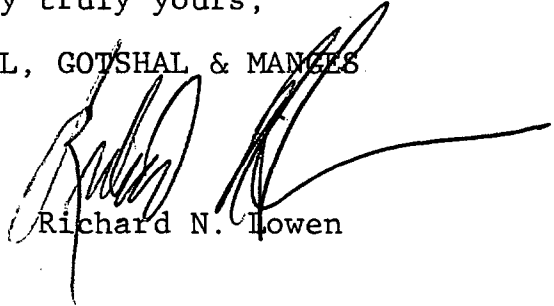
Ms. Mildred Lee
Interstate Commerce Commission
May 26, 1978
Page Two

the nature of the aforementioned transaction. Thank you
for your cooperation in this matter.

Very truly yours,

WEIL, GOTSHAL & MANGES

By


Richard N. Lowen

DBE/bn
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

6/2/78

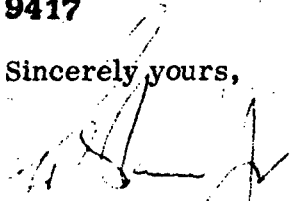
OFFICE OF THE SECRETARY


Richard N. Lowen
Weil, Gotshal & Manges
767 Fifth Avenue
New York, N.Y. 10022

Dear Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on **6/2/78** at **9:25am**
and assigned recordation number(s) **9417**

Sincerely yours,


H.G. Homme, Jr.
Acting Secretary

 **Enclosure(s)**

SE-30-T
(6/77)

JUN 2 1978 -9 25 AM

~~INTERSTATE COMMERCE COMMISSION~~

MORTGAGE AND SECURITY AGREEMENT made this 26th day of May, 1978, between NORTHERN ASSOCIATES ("Mortgagor"), a Pennsylvania general partnership having an office at 7777 State Road, Philadelphia, Pennsylvania, and GENERAL ELECTRIC CREDIT CORPORATION ("Mortgagee"), a New York corporation, having an office at 260 Long Ridge Road, Stamford, Connecticut;

WHEREAS, Mortgagor is the owner of the premises described in Schedule A annexed hereto and made a part hereof; and

WHEREAS, Mortgagor has executed and delivered its promissory note (the "Note") of even date herewith to Mortgagee in the sum of \$4,500,000 and to secure payment thereof is giving to Mortgagee this mortgage upon the premises described in Schedule A.

NOW THIS INDENTURE WITNESSETH, that Mortgagor, as well for and in consideration of the aforesaid debt or principal sum of \$4,500,000 and for the better securing of the payment of the same, with interest as provided in the Note, to Mortgagee in discharge of the said recited obligation, as for and in consideration of the further sum of One Dollar (\$1.00) unto Mortgagor paid by Mortgagee at and before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, enfeoffed, released, conveyed and confirmed, and by these presents does grant, bargain, sell alien, enfeoff, release, convey and confirm unto Mortgagee all its estate, right, title and interest in, to and under any and all of the described property in said Schedule A, including all of the easements, rights, privileges, tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and all of the estate, right,

title, interest, claim, demand, reversion or remainder whatsoever of Mortgagor therein or thereto, either in law or in equity, in possession or expectancy, now or hereafter acquired, including without limitation, all and singular the ways, waters, water courses, water rights and powers, liberties, privileges, sewers, pipes, conduits, wires and other facilities furnishing utility or other services to said property (collectively, the "Land").

TOGETHER with all of the right, title and interest of Mortgagor in and to all buildings, structures, improvements, bulkheads, docks, and piers now or hereafter erected on the Land or which are now or hereafter located in the waters adjoining the Land, including all plant equipment, apparatus, machinery and fixtures of every kind and nature whatsoever now or hereafter forming part of said buildings, structures, improvements, bulkheads, docks and piers (collectively, the "Improvements"; the Land and the Improvements being hereinafter collectively referred to as the "Premises");

TOGETHER with all of the right, title and interest of Mortgagor in and to the land lying in the bed of any street, road, highway or avenue in front of or adjoining the Premises;

TOGETHER with any and all award and awards heretofore made or hereafter to be made by any governmental authorities to the present and all subsequent owners of the Premises which may be made with respect to the Premises as a result of the exercise of the right of eminent domain, the alteration of the grade of any street or any other injury to or decrease of value of the Premises, which said award or awards are hereby assigned to Mortgagee and Mortgagee, at its option, is hereby authorized, directed and empowered to collect and receive the proceeds of

any such award or awards from the authorities making the same and to give proper receipts and acquittances therefor, and to apply the same as hereinafter provided; and Mortgagor hereby covenants and agrees to and with Mortgagee upon request by Mortgagee, to make, execute and deliver, at Mortgagor's expense, any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid award or awards to Mortgagee free, clear and discharged of any and all encumbrances of any kind or nature whatsoever;

TOGETHER with all fixtures, fittings, appliances, apparatus, equipment, machinery and articles of personal property and replacements thereof owned or leased by Mortgagor, now or at any time hereafter affixed to, attached to, placed upon, or used in any way in connection with the complete and comfortable use, enjoyment, occupancy or operation of the Improvements on the Premises, specifically excluding only those items of personal property used exclusively for Mortgagor's salvage business (collectively, the "Chattels");

TOGETHER with all leases of the Premises or the Chattels or any part thereof now or hereafter entered into and all right, title and interest of Mortgagor thereunder, including, without limitation, cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder (whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of such terms) and all rents, income and other benefits to which Mortgagor may now or hereafter be entitled from the Premises or the Chattels (which Premises, rights, titles, interests, awards, Chattels,

leases, cash, securities, rents, income and benefits are hereinafter collectively referred to as the "Mortgaged Property");

TO HAVE AND TO HOLD the Mortgaged Property hereby granted unto Mortgagee, its successors and assigns forever.

And Mortgagor further warrants, covenants and agrees with Mortgagee, its successors and assigns, as follows:

ARTICLE I

SECTION 1.01. Mortgagor has a good and marketable title to an indefeasible fee estate in the Premises subject to no liens, charges, or encumbrances except such as are set forth in Schedule B to that certain title insurance commitment No. C-593234-M, of even date with the date of the recordation of this Mortgage and Security Agreement (hereinafter this "Mortgage"), issued by Commonwealth Land Title Insurance Company and initialed by counsel for Mortgagor and Mortgagee; that it owns the Chattels free and clear of liens and claims; that this Mortgage is and will remain a valid and enforceable first and prior lien on the Mortgaged Property subject only to the exceptions referred to above; that neither the entry into nor the performance of and compliance with this Mortgage or the Note has resulted or will result in any violation of, or be in conflict with, or result in the creation of any mortgage, lien, encumbrance or charge (other than those created by the execution and delivery of, or permitted by, this Mortgage and the Note) upon any of the properties or assets of Mortgagor, or constitute a default under any mortgage, indenture, contract, agreement, instrument, franchise, permit, judgment, decree, order, statute, rule or regulation applicable to Mortgagor. Mortgagor has full power and lawful authority to convey the

Mortgaged Property in the manner and form herein done or intended hereafter to be done and will preserve such title, and will forever preserve, warrant and defend the same unto Mortgagee and will forever preserve, warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever.

SECTION 1.02. Mortgagor will, at its sole cost and expense, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall from time to time require, for the better assuring, conveying, assigning, transferring, pledging, mortgaging, warranting and confirming unto Mortgagee the property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage, or for filing, registering or recording this Mortgage and, on demand, will execute and deliver, and hereby authorizes Mortgagee to execute in the name of Mortgagor, to the extent it may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Chattels.

SECTION 1.03. (a) Mortgagor forthwith upon the execution and delivery of this Mortgage and thereafter from time to time, will cause this Mortgage, any security instruments creating a lien or evidencing the lien hereof upon the Chattels and each instrument of further assurance, to be filed, registered or recorded in such manner and in such places as

may be required by any present or future law in order to publish notice of and fully protect the lien and security interest hereof upon, and the interest of Mortgagee in, the Mortgaged Property, and from time to time will execute or cause to be executed any and all continuation statements and further instruments that may be requested by Mortgagee for such publication and protection.

(b) Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the preparation, execution and acknowledgement of this Mortgage, any Mortgage supplemental hereto, any security instrument with respect to the Chattels, and any instrument of further assurance, and all federal, state, county and municipal stamp taxes and other fees, taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note, this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Chattels or any instrument of further assurance.

SECTION 1.04. Mortgagor will punctually pay the principal and interest and all other sums to become due in respect of the Note at the time and place and in the manner specified therein, all in any coin or currency of the United States of America which at the time of such payment shall be legal tender for the payment of all debts, public and private.

SECTION 1.05. Mortgagor, if a corporation or partnership, will, so long as it is owner of the Mortgaged Property, do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges as a business or stock corporation or partnership, as the case may be, under the laws of the state of its incorporation or formation, and will comply with all regulations, rules,

ordinances, statutes, orders and decrees of any governmental authority or court applicable to Mortgagor or to the Mortgaged Property or any part thereof.

SECTION 1.06. All right, title and interest of Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Mortgaged Property, hereafter acquired by, or released to, Mortgagor or constructed, assembled or placed by Mortgagor on the Premises, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by Mortgagor, shall become subject to the first and prior lien and security interest of this Mortgage as fully and completely, and with the same effect, as though now owned by Mortgagor and specifically described in the granting clause hereof, but at any and all times Mortgagor will execute and deliver to Mortgagee any and all such further assurances, mortgages, conveyances or assignments thereof with respect thereto as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien and security interest of this Mortgage.

SECTION 1.07. (a) Mortgagor, from time to time when the same shall become due, will pay and discharge, or cause to be paid and discharged, all taxes and governmental charges of every kind and nature that may at any time be assessed or levied against or with respect to the indebtedness secured by, and any other amounts payable pursuant to, this Mortgage, or any part of such indebtedness or amounts, the Mortgaged Property or any part thereof (including, without limiting the gen-

erality of the foregoing, real and personal property taxes and income, franchise, withholding, profits and gross receipts taxes), all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, and all other public or governmental charges whether of a like or different nature, imposed upon or assessed or levied against Mortgagor or the Mortgaged Property or any part thereof or interest therein or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof. Mortgagor will, upon the request of Mortgagee, deliver to Mortgagee receipts evidencing the payment, before any penalties accrue thereon, of all such taxes, assessments, levies, fees, rents and other public charges imposed upon or assessed against it, this Mortgage, or the Mortgaged Property or the revenues, rents, issues, income or profits thereof.

(b) Upon the occurrence of an event (a "Prospective Event of Default") which, with the passage of time or the giving of notice, or both, would constitute an Event of Default (as hereinafter defined) hereunder, Mortgagee may, at its option, to be exercised by ten days' prior written notice to Mortgagor, require the deposit by Mortgagor, at the time of payment of each installment of interest and/or principal under the Note, of an additional amount sufficient to (i) discharge Mortgagor's obligations under subsection (a) hereof and (ii) pay for premiums of insurance required to be maintained by Mortgagor pursuant to Section 1.08 hereof. The determination of the amount so payable and of the fractional part thereof to be deposited with Mortgagee, so that the aggregate of the deposits shall be sufficient to make such payments on a date which is 30 days prior to the respective dates on which the same or

any of them would become payable, shall be made by Mortgagee in its sole discretion. Such amounts shall be held by Mortgagee without interest and applied to the payment of the items in respect to which such amounts were deposited or, at the option of Mortgagee, to the payment of said items in such order or priority as Mortgagee shall determine, on or before the respective dates on which the same or any of them become delinquent. All such amounts so deposited shall not be deemed to be held by Mortgagee in escrow, but may be comingled with other funds of Mortgagee until applied pursuant hereto. If one month prior to the due date of the aforementioned amounts the amount then on deposit therefor shall be insufficient for the payment of such item in full, Mortgagor, within ten days after demand shall deposit the amount of the deficiency with Mortgagee. Upon the occurrence of an Event of Default, Mortgagee shall be entitled to apply all sums held by Mortgagee pursuant to this Section to the payment of the indebtedness secured hereby, in such order as Mortgagee shall elect. Nothing herein contained shall be deemed to affect any right or remedy of Mortgagee under any provisions of this Mortgage or of any statute or rule or law to pay any such amount from its funds to the extent the sums deposited by Mortgagor are not sufficient therefor.

(c) Mortgagor will pay from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers, and others which, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom and in general will do or cause to be done everything necessary so that the lien and security interest hereof shall be fully preserved, at the cost of Mortgagor, without expense to Mortga-

gee; provided, however, that if applicable law empowers Mortgagor to discharge of record any mechanic's, laborer's, materialman's or other lien against the Mortgaged Property by the posting of a bond or other security, Mortgagor shall not have to make such payment if Mortgagor posts such bond or other security within the time prescribed by law so as not to place the Mortgaged Property in jeopardy of a lien or forfeiture.

(d) Notwithstanding the foregoing, Mortgagor shall not be required to pay or discharge any obligation imposed upon Mortgagor pursuant to subsection (a) hereof so long as Mortgagor shall in good faith and at its own expense contest the same or the validity thereof by appropriate legal or administrative proceeding which shall operate to prevent the collection thereof or other realization thereon or the sale, forfeiture or loss of the Mortgaged Property or any part thereof to satisfy the same; provided that (i) during such contest Mortgagor shall, at the option of Mortgagee, provide security in form and amounts satisfactory to Mortgagee, assuring the discharge of Mortgagor's obligation hereunder and of any additional charge, penalty or expense arising from or incurred as a result of such contest, and (ii) any such contest shall not subject Mortgagee to any civil or criminal liability whatsoever. However, if at any time payment of any obligation imposed upon Mortgagor by subsection (a) hereto shall become necessary to prevent the delivery of a tax deed conveying the Mortgaged Property or any portion thereof because of nonpayment, or if Mortgagee shall incur any civil or criminal liability as a result of such nonpayment, then Mortgagee may, without any liability to Mortgagor whatsoever, apply such security to the payment of the same, or otherwise pay the same

pursuant to the provisions of Section 1.13 hereof, in sufficient time to prevent the delivery of such tax deed or the incurrence of such civil or criminal liability, as may be the case.

SECTION 1.08. (a) Mortgagor will obtain and maintain (i) insurance of the type necessary to insure the Improvements and Chattels, for the full replacement cost thereof, against loss by fire, lightning, windstorm, hail, explosion, aircraft, smoke damage, vehicle damage and other risks from time to time included under "extended coverage" policies, but in any event in amounts sufficient to prevent Mortgagor from becoming a coinsurer under such policies, (ii) comprehensive general liability insurance against any loss, liability or damage on, about or relating to the Premises, with aggregate limits of not less than \$1,000,000 for death, injury or property damage, (iii) cargo and vessel coverage in an amount of not less than \$5,000,000, (iv) rent insurance and flood insurance if reasonably required by Mortgagee and (v) such other insurance as Mortgagee may reasonably require against such other insurable hazards which at the time in question are commonly insured against in the case of property similar to the Premises and the Chattels. Replacement cost shall, at Mortgagee's option, be redetermined by an insurance appraiser, satisfactory to Mortgagee, not more frequently than once every 12 months. Such insurance shall be written by companies of recognized financial standing, satisfactory to Mortgagee, which are authorized to do an insurance business in the state in which the Premises are located. Such insurance shall be in form satisfactory to Mortgagee, shall (i) with respect to hazard insurance, name as the loss payee thereunder Mortgagor and Mortgagee, as their interests may appear, and shall contain a mortgagee endorsement substantially equivalent to the long form New York standard mort-

gagee endorsement (non-contributing form) and (ii) with respect to liability insurance, name Mortgagee as an additional insured thereunder. Every policy of insurance referred to in this Section shall contain an agreement by the insurer that it will not cancel such policy except after thirty days' prior written notice to Mortgagee and that any loss payable thereunder shall be payable notwithstanding any act or negligence of Mortgagor or Mortgagee which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment and notwithstanding (i) occupancy or use of the Mortgaged Property for purposes more hazardous than permitted by the terms of such policy, (ii) any foreclosure or other action or proceeding taken by Mortgagee pursuant to this Mortgage upon the happening of an Event of Default or (iii) any change in title or ownership of the Mortgaged Property. Duplicate policies or certificates evidencing such insurance shall be delivered to Mortgagee at least thirty days prior to the expiration of the existing policies. Mortgagor shall give Mortgagee prompt notice of any loss covered by such insurance and Mortgagee shall have the right to join Mortgagor in adjusting any loss in excess of \$10,000. If there shall have occurred an Event of Default or Prospective Event of Default, Mortgagee shall have the exclusive right to adjust all losses payable under any such insurance policies without any liability to Mortgagor whatsoever in respect of such adjustments.

Any monies received as payment for any loss under any such insurance (the "insurance proceeds") shall be paid over to Mortgagee to be applied at the option of Mortgagee either to the prepayment of the Note, without premium, in such order as Mortgagee may elect, or shall be disbursed to Mortgagor under stage payment and other terms satisfactory to Mortgagee for

application to the cost of repairs, replacements or restorations (collectively, "restorations") of the Improvement or Chattel so damaged or destroyed. Notwithstanding the foregoing, and provided that (i) there does not then exist an Event of Default or Prospective Event of Default and (ii) at the time of the commencement of restorations, the financial condition of Mortgagor is, in Mortgagee's opinion, no less favorable than the financial condition of Mortgagor on the date hereof, Mortgagee agrees to disburse to Mortgagor the insurance proceeds for application to the cost of such restorations, under stage payment and other terms satisfactory to Mortgagee. All restorations of the Improvement or Chattel so damaged or destroyed shall be effected with reasonable promptness and shall be of a value at least equal to the value of the Improvement or Chattel so damaged or destroyed prior to such damage or destruction. Upon the occurrence of an Event of Default, all prepaid premiums shall be the sole and absolute property of Mortgagee to be applied by Mortgagee to the payment of the indebtedness secured hereby in such order as Mortgagee shall elect.

(b) Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Section 1.08, unless Mortgagee is included thereon as a named insured with loss payable to Mortgagee under a standard mortgagee endorsement of the character above described. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out, specifying the insurer thereunder and full particulars as to the policies evidencing the same.

SECTION 1.09. In the event of the passage, after the date of this Mortgage, of any law of the State in which

the Premises are located deducting from the value of the Mortgaged Property for the purpose of taxing the amount of any lien thereon, or changing in any way the laws now in force for the taxation of mortgages or debts secured thereby, for state or local purposes, or the manner of operation of any such taxes so as to adversely affect the interest of Mortgagee, then and in such event, Mortgagor shall bear and pay the full amount of such taxes, provided that if for any reason payment by Mortgagor of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the Note or indebtedness secured hereby wholly or partially usurious under any of the terms or provisions of the Note or this Mortgage, or otherwise, Mortgagee may, at its option, upon 30 days written notice to Mortgagor, (i) declare the whole indebtedness secured by this Mortgage, with interest thereon, to be immediately due and payable, or (ii) pay that amount or portion of such taxes as renders the Note or indebtedness secured hereby unlawful or usurious, in which event Mortgagor shall concurrently therewith pay the remaining lawful non-usurious portion or balance of said taxes.

SECTION 1.10. Mortgagor will not sell, convey, lease or transfer any interest in, or any part of, the Mortgaged Property without the prior written consent of Mortgagee, except for a sale, conveyance or transfer of all of the assets of Mortgagor to a corporation (1) the stock of which is owned by the partners of Mortgagor in the same relative percentages as the interest of said partners in Mortgagor immediately preceding such transfer and (2) which assumes all of the liabilities and obligations of Mortgagor. Any sale, conveyance or transfer, except as above provided, made without Mortgagee's prior

written consent shall be deemed an Event of Default hereunder.

SECTION 1.11. Mortgagee shall have access to and the right to inspect the Premises and Chattels at all reasonable times.

SECTION 1.12. Mortgagor shall comply with all applicable restrictive covenants, zoning and subdivision ordinances and building codes, health and environmental laws and regulations and all other applicable laws, rules and regulations, requirements, directions, orders and notices of violations issued by any governmental agency, body or officer (collectively, "Laws"), affecting the Premises or the business or activity being conducted thereon by Mortgagor or by any occupant thereof; provided, however, that nothing in this Section shall require Mortgagor to comply with such Laws (i) if Mortgagor shall contest the same by appropriate judicial or administrative proceedings, (ii) if such proceedings shall operate to stay enforcement of the Laws so contested and (iii) unless Mortgagor's failure to comply shall subject Mortgagee to any civil or criminal liability.

SECTION 1.13. If Mortgagor shall fail to perform any of the covenants contained herein on its part to be performed, Mortgagee may, but shall not be required to, make advances to perform the same, or cause the same to be performed, on Mortgagor's behalf, and all sums so advanced shall bear interest from the date advanced until repaid at the lower of (i) the maximum rate permitted by law or (ii) 18% per annum, shall be a lien upon the Mortgaged Property and may be, at Mortgagee's option, added to the indebtedness secured hereby. Mortgagor will repay on demand all sums so advanced on its behalf with interest at the rate herein set forth. This Section 1.13 shall

not be construed as preventing any default by Mortgagor in the observance of any covenant in this Mortgage from constituting an Event of Default hereunder.

SECTION 1.14. (a) Mortgagor will keep adequate records and books of account in accordance with generally accepted accounting principles and practices and will permit Mortgagee, by its agents and from time to time, accountants and attorneys, to examine Mortgagor's records and books of account at Mortgagor's principal place of business in Philadelphia, Pennsylvania and to discuss the affairs, finances and accounts of Mortgagor with the officers of Mortgagor, at such reasonable times as may be requested by Mortgagee.

(b) Mortgagor will deliver to Mortgagee with reasonable promptness after the close of each of its fiscal years a balance sheet and statement of profit and loss setting forth in each case, in comparative form, figures for the preceding year. Throughout the term of this Mortgage, Mortgagor with reasonable promptness, will deliver to Mortgagee such other information with respect to Mortgagor as Mortgagee may reasonably request from time to time. All financial statements of Mortgagor shall be prepared by a firm of independent certified public accountants acceptable to Mortgagee, in accordance with generally accepted accounting principles, practices and procedures consistently applied, shall be accompanied by the unqualified opinion of such firm as to the accuracy of such statements and shall be delivered in duplicate. At the time of the delivery of such statements, and at any other time upon five days prior written request of Mortgagee, Mortgagor shall deliver to Mortgagee a certificate of the principal financial or accounting officer of, or a general partner of, Mortgagor, dated within three days of

the delivery of such statements, or the date of such request, as the case may be, setting forth the amount of principal and interest due on the Note, whether any offsets or defenses exist against such indebtedness and stating that he knows of no Event of Default or Prospective Event of Default, which has occurred and is continuing, or, if any such Event of Default or Prospective Event of Default has occurred and is continuing, specifying the nature and period of existence thereof and what action Mortgagor has taken or proposes to take with respect thereto, and, except as otherwise specified, stating that Mortgagor has fulfilled all its obligations under this Mortgage which are required to be fulfilled on or prior to the date of such certificate.

SECTION 1.15. Mortgagor will not commit any waste at or with respect to the Mortgaged Property nor will Mortgagor do or fail to do anything which will in any way increase the risk of fire or other hazard to the Improvements or the Chattels or to any part thereof. Mortgagor will, at all times, maintain the Improvements and Chattels in good order and condition and will promptly make, from time to time, all repairs, renewals, replacements, additions and improvements in connection therewith which are needful or desirable to such end. Improvements shall not be removed, demolished or materially altered, nor shall any Chattels be removed without the prior written consent of Mortgagee, provided however, that if there shall not have occurred an Event of Default or Prospective Event of Default, Mortgagor may make appropriate replacements of Chattels, free of superior title, liens and claims, provided such replacements are immediately made and are of a value at least equal to the value of the Chattels removed.

SECTION 1.16. Mortgagor will, immediately upon obtaining knowledge of the institution of any proceeding for the condemnation by eminent domain of the Mortgaged Property or any portion thereof, notify Mortgagee of the pendency of such proceeding. Mortgagee may participate in any such proceeding and Mortgagor from time to time will deliver to Mortgagee all instruments requested by it to permit such participation. In the event of such condemnation proceedings, or a conveyance in lieu of such taking, the award or compensation payable is hereby assigned to and shall be paid to Mortgagee. Mortgagee shall be under no obligation to question the amount of any such award or compensation and may accept the same in the amount in which the same shall be paid, but shall have no right to bind Mortgagor or to make settlement of its claim, except to the extent of the interest of Mortgagee. In any such condemnation proceedings Mortgagee may be represented by counsel selected by Mortgagee. The proceeds of any award or compensation so received after reimbursement of any expenses incurred by Mortgagee in connection with such proceedings, shall, at the option of Mortgagee, be applied, without premium, to the prepayment of the Note in such order as Mortgagee may in its sole discretion elect (regardless of interest payable on the award by the condemning authority), or to the cost of restoration of the Improvement or Chattel so taken under stage payment and other terms as shall be satisfactory to the Mortgagee.

SECTION 1.17. The assignment of rents, income and other benefits (collectively "rents") contained in the granting clause of this Mortgage shall be fully operative without any further action on the part of Mortgagor or Mortgagee and

specifically Mortgagee shall be entitled, at its option, to all rents, from the Mortgaged Property whether or not Mortgagee takes possession of the Mortgaged Property. Mortgagor hereby further grants to Mortgagee the right (i) to enter upon and take possession of the Mortgaged Property for the purpose of collecting the rents, (ii) to dispossess by the usual summary proceedings any tenant defaulting in the payment of rent or the observance of any other covenant of their respective leases, (iii) to let the Mortgaged Property or any part thereof, and (iv) to apply the rents, after payment of all necessary charges and expenses, on account of the indebtedness and other sums secured hereby. Such assignment and grant shall continue in effect until the indebtedness and other sums secured hereby are paid, the execution of this Mortgage constituting and evidencing the irrevocable consent of Mortgagor to the entry upon and taking possession of the Mortgaged Property by Mortgagee pursuant to such grant, whether or not sale or foreclosure has been instituted. Neither the exercise of any rights under this section by Mortgagee nor the application of the rents to the indebtedness and other sums secured hereby, shall cure or waive any Event of Default, or Prospective Event of Default or notice of default hereunder or invalidate any act done pursuant hereto, but shall be cumulative of all other rights and remedies.

The foregoing provisions hereof shall constitute an absolute and present assignment of the rents from the Mortgaged Property, subject, however, to the conditional permission given to Mortgagor to collect and use the rents until the occurrence of either (1) an Event of Default or Prospective Event of Default; or (2) the net leasing of all or substantially all of

the Mortgage Property (which net leasing shall be subject to the provisions of Section 1.18 hereof); and such permission shall not operate to subordinate this assignment, in whole or in part, to any subsequent assignment by Mortgagor permitted under the provisions of this Mortgage, and any such subsequent assignment by Mortgagor shall be subject and subordinate to the rights of Mortgagee hereunder.

SECTION 1.18. (a) Mortgagor will not (i) execute an assignment of the rents or any part thereof from the Mortgaged Property, or (ii) except where the lessee is in default thereunder, terminate or consent to the cancellation or surrender of any lease of the Mortgaged Property or of any part thereof, now existing or hereafter to be made, having an unexpired term of two years or more unless, prior to the cancellation or surrender of any lease, a new lease is entered into with a new lessee satisfactory to Mortgagee and on terms at least as favorable to the landlord thereunder as were the terms of the lease so terminated or cancelled, or (iii) modify any such lease or give consent to any assignment or subletting without Mortgagee's prior written consent, or (iv) accept prepayments of any installments of rent or additional rent to become due under such leases, except prepayments for not more than one month in advance or prepayments in the nature of security for the performance of the lessee's obligations thereunder, or (v) in any other manner impair the value of the Mortgaged Property or the security of Mortgagee for the payment of the indebtedness and other sums secured hereby.

(b) Mortgagor will not execute any lease of all or a substantial portion of the Mortgaged Property except for actual occupancy by the lessee thereunder, and will at all

times promptly and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all leases of the Mortgaged Property now or hereafter existing, on the part of the lessor thereunder to be kept and performed. If any such lease provides for the giving by the lessee of certificates with respect to the status of such leases, Mortgagor shall exercise its right to request such certificates within five (5) days of any demand therefor by Mortgagee.

(c) Mortgagor shall furnish to Mortgagee, within 15 days after a request by Mortgagee to do so, a written statement containing the names of all lessees for the Mortgaged Property, the terms of their respective leases, the spaces occupied, the rentals paid and any security therefor.

(d) Mortgagor shall, from time to time upon request of Mortgagee, specifically assign to Mortgagee as additional security hereunder, by an instrument in writing in such form as may be approved by Mortgagee, all right, title and interest of Mortgagor in and to any and all leases now or hereafter on or affecting the Mortgaged Property, together with all security therefor and all monies payable thereunder, subject to the conditional permission hereinabove given to Mortgagor to collect the rentals under any such lease. Mortgagor shall also execute and deliver to Mortgagee any notification, financing statement or other document reasonably required by Mortgagee to perfect the foregoing assignment of any such lease.

SECTION 1.19. Each lease of the Mortgaged Property or of any part thereof shall provide that, in the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, any person succeeding to the interest of Mortgagor as a result of such enforcement shall not be bound by

any payment of rent or additional rent for more than one month in advance, provided, however, that nothing herein set forth shall affect or impair the rights of Mortgagee to terminate any one or more of such leases in connection with the exercise of its remedies hereunder.

SECTION 1.20. Mortgagor shall at all times fully and faithfully perform and comply with each and every term, covenant and condition set forth herein.

SECTION 1.21. Mortgagor shall not use Mortgagee's name or the name of any person, firm or corporation controlling, controlled by or under common control with Mortgagee in connection with any of Mortgagor's activities, except as such use may be required by applicable law or regulation of any governmental body.

ARTICLE II

EVENTS OF DEFAULT AND REMEDIES

SECTION 2.01. The occurrence of any one or more of the following events shall be an event of default (an "Event of Default") hereunder:

(a) If Mortgagor shall default in the payment of (i) interest or principal or both, as provided in the Note, as and when the same shall have become due and payable, (ii) any other payment of the principal of or interest on the Note when the same shall become due and payable, whether at any stated maturity or by acceleration or otherwise, or (iii) any other sums required to be paid by Mortgagor pursuant to the Note or this Mortgage on the date that such payments are therein or herein required to be made, provided any such default shall continue for 15 days after the due date

thereof; or

(b) If Mortgagor shall breach any of the provisions of or be in default of any of the covenants contained in the Note or this Mortgage or of any chattel mortgage, security agreement or other document issued thereunder or in connection herewith or therewith and such default shall continue for 20 days after written notice by Mortgagee; provided, however, that if such default is of a nature as to require longer than 20 days after notice to cure, then an Event of Default shall be deemed to have occurred hereunder only if Mortgagor shall fail to (i) commence to cure such default within said 20 days after notice and (ii) continuously prosecute, with due diligence, the curing of the same to completion; or

(c) If Mortgagor or any partner of Mortgagor shall default in any obligation for borrowed money, whether to Mortgagee or otherwise, and whether or not such obligations affect the Mortgaged Property, and a suit, action or other proceeding shall have been commenced for the collection of same and shall not have been settled or disposed of, or an answer therein filed, within 30 days after the commencement thereof; or

(d) If Mortgagor shall execute any chattel mortgage on any (i) materials, fixtures or articles used in the construction or operation of an Improvement or appurtenance thereto, or (ii) articles of personal property placed on the Premises; or should any such materials, fixtures or articles be purchased on conditional bill of sale or otherwise so that the ownership thereof will not vest unconditionally in Mortgagor free from encumbrance, on delivery at the Premises; or should Mortgagor fail to furnish to Mortgagee, if requested, the

contracts, bills of sale, statements, receipted vouchers and agreements, or any of them, under which Mortgagor claims title to such materials, fixtures and articles; or

(e) If Mortgagor shall execute any mortgage, deed of trust or similar security agreement affecting any portion of the Mortgaged Property;

(f) If Mortgagor or any partner of Mortgagor shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law or regulation, or shall file any answer admitting or shall fail to deny the material allegations of a petition filed against it for any such relief, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of itself or of all or any substantial part of its properties, or the general partner or partners of Mortgagor or the shareholders or board of directors of any partner of Mortgagor shall take any action looking to its or their dissolution or liquidation, or Mortgagor or any partner of Mortgagor shall cease doing business as a going concern; or

(g) If, within 30 days after the commencement of any proceeding against Mortgagor or any partner of Mortgagor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding

shall not have been dismissed, or if, within 30 days after the appointment, without its consent or acquiescence of any trustee, receiver or liquidator of itself or of all or any substantial part of its properties, such appointment shall not have been vacated; or

(h) If a final judgment (exclusive of judgments insured against by adequate liability insurance policies) in excess of \$50,000 shall be rendered against Mortgagor or any of its partners in any jurisdictions, and if, within 30 days after entry thereof, such judgment shall not have been discharged or execution thereof stayed pending appeal, or if, within 30 days after the expiration of any such stay, such judgment shall not have been discharged; or

(i) If there shall occur during any consecutive twelve month period one or more uninsured losses, thefts, damage or destruction of the Mortgaged Property, or any part thereof having an aggregate value in excess of \$100,000; or

(j) If, without the express prior written consent of Mortgagee or except as provided in Section 1.10 hereof, title to the Mortgaged Property or any part thereof or any interest therein, or in Mortgagor or any permitted assignee of Mortgagor as aforesaid ("assignee"), whether a partnership interest, stock, or otherwise, shall be sold, conveyed or transferred by Mortgagor or such assignee, or any person, firm, corporation or other entity comprising Mortgagor or such assignee, to any other person, firm, corporation or other entity, whether by operation of law or otherwise; or

(k) If any representation or warranty made by Mortgagor in the Note, this Mortgage or any mortgage, security agreement, chattel mortgage or other document issued

hereunder or in connection therewith or herewith prove to be untrue, the effect of which is to adversely affect Mortgagee's security hereunder; or

(l) If any officer or partner of Mortgagor shall commit an act of gross misfeasance or fraud, having an adverse effect on Mortgagee; or

(m) If Mortgagor shall fail to permit Mortgagee or representatives of Mortgagee, entry upon the Premises and an opportunity to inspect each Improvement thereon at all reasonable times upon reasonable notice; or

(n) If Jack Rose shall cease to be actively involved in the business of Mortgagor on a full time basis, or upon the death, insanity or permanent disability of Jack Rose, and if a replacement for Jack Rose, satisfactory to Mortgagee in its sole and absolute discretion, is not found by Mortgagor within 90 days thereafter, and if at any time after such 90 days and within 24 months thereafter such replacement or replacements is found not to be satisfactory to Mortgagee in its sole and absolute discretion.

Upon the occurrence of an Event of Default, and in every such case:

I. During the continuance of any such Event of Default, Mortgagee, by written notice given to Mortgagor, may declare the entire principal of the Note then outstanding (if not then due and payable) and all accrued and unpaid interest thereon and all other sums secured hereby to be due and payable immediately, and upon any such declaration the principal of the Note and said accrued and unpaid interest shall become and be immediately due and payable, anything in the Note or in this Mortgage to the contrary notwithstanding;

II. During the continuance of any such Event of Default, Mortgagee personally, or by its agents or attorneys may enter into and upon all or any

part of the Mortgaged Property, and each and every part thereof, and may exclude the party owning the same, or the beneficial interest therein, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Mortgaged Property for any lawful purpose and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, Mortgagee, at the expense of Mortgagor, from time to time, may maintain and restore the Mortgaged Property whereof it shall become possessed as aforesaid, either by purchase, repairs or construction, may complete the construction of any Improvements under construction and in the course of such completion may make such changes in the contemplated Improvements as it may deem desirable; may insure or reinsure the same as provided in Section 1.08 hereof, and likewise, from time to time, at the expense of Mortgagor, Mortgagee may make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Property or any part thereof as it may deem advisable; and in every such case Mortgagee shall have the right to manage and operate the Mortgaged Property, possessed as aforesaid, and to carry on the business thereof and exercise all rights and powers of the party owning such property with respect thereto either in the name of such party or otherwise as it shall deem best; and Mortgagee shall

be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and all payments which may be made for taxes, assessments, insurance or other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation of Mortgagee for the services of Mortgagee and for all attorneys, counsel, agents, clerks, servants and other employees by it properly engaged and employed, Mortgagee shall apply the moneys arising as aforesaid, first, to the payment of any sums required to be paid by Mortgagor under this Mortgage, except the interest on or the principal of the Note, second, to the payment of interest on the Note, and third to the payment of the principal of the Note, when and as the same shall become due and payable (whether by acceleration or otherwise).

III. Mortgagee, with or without entry, personally or by its agents or attorneys, insofar as applicable, may:

(1) sell the Mortgaged Property to the extent permitted and pursuant to the procedures provided by law, and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, at one or more sales as a single entity or in parcels, at

such time and place, upon such terms and after such notice thereof as may be required or permitted by law; or

(2) institute proceedings for the complete or partial foreclosure of this Mortgage; or

(3) subject to the provisions of Section 3.09, take such steps to protect and enforce its rights, whether by action, suit or proceeding in equity or at law, whether for damages or for the specific performance of any covenant, condition or agreement in the Note or in this Mortgage, or in aid of the execution of any power herein granted or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect.

SECTION 2.02. (a) Mortgagee may adjourn from time to time, as permitted by law, any sale to be made by it under or by virtue of this Mortgage by announcement at any time and place appointed for such sale or for such adjourned sale or sales; and Mortgagee, without further notice or publication, except as otherwise provided by any applicable provision of law, may make such sale at the time and place to which the same shall be so adjourned.

(b) Upon the completion of any sale or sales made by Mortgagee under or by virtue of this Mortgage, Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed and such other instrument, or

instruments, as may be necessary to convey, assign and transfer all estate, right, title and interest in and to the property and rights sold. Mortgagee is hereby irrevocably appointed the true and lawful attorney of Mortgagor in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold and for that purpose Mortgagee may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, Mortgagor hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, Mortgagor if so requested by Mortgagee shall ratify and confirm any such sale or sales by executing and delivering to Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of Mortgagee, for the purpose, and as may be designated in such request. The receipt of Mortgagee, or of the court officer conducting any such sale, for the purchase money paid at any such sale shall be a sufficient discharge therefor to any purchaser of the property, or any part thereof, sold as aforesaid; and no such purchaser or his representatives, grantees or assigns, after paying such purchase money and receiving such a receipt, shall be bound to see to the application of such purchase money upon or for the purpose of this Mortgage, or shall be answerable in any manner whatsoever for any loss, misapplication or non-application of any such purchase money or any part thereof, nor shall any such purchaser be bound to inquire as to the necessity or expediency of any such sale. Any such sale or sales made under or by virtue of this Mortgage (whether made under the power of sale herein granted or under

or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale) shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the premises, properties, privileges and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Mortgagor.

(c) The purchase money, proceeds or avails of any sale made under or by virtue of this Mortgage, together with any other sums which then may be held by Mortgagee under this Mortgage, shall be applied as follows:

First: To the payment of the costs and expenses of such sale, and costs of title evidence and reasonable compensation to Mortgagee, its agents, attorneys and counsel, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Mortgagee under this Mortgage, together with interest at the rate set forth in Section 1.13 hereof, on all advances made by Mortgagee and all taxes or assessments, except any taxes, assessments or other charges subject to which the Mortgaged Property shall have been sold.

Second: To the payment of the whole amount then due, owing or unpaid upon the Note for interest and principal, with interest on the unpaid principal indebtedness at the rate set forth in the Note to be paid from and after the happening of any Event of Default from the due date of any such payment of

principal until the same is paid.

Third: To the payment of any other sums required to be paid by Mortgagor pursuant to any provision of this Mortgage or of the Note.

Fourth: To the payment of the surplus, if any, to Mortgagor, or such other third party as may be lawfully entitled to receive the same.

(d) Upon any sale made under or by virtue of this Mortgage, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Mortgagee may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness (or any part thereof) secured by this Mortgage, the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which Mortgagee is authorized to deduct under this Mortgage. Mortgagee, upon so acquiring the Mortgaged Property, or any part thereof, shall be entitled to hold, lease, rent, operate, manage and sell the same in any manner provided by applicable laws.

(e) In the event of any sale made under or by virtue of this Mortgage (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale), the entire principal of, and interest on, the Note, if not previously due and payable, and all other sums required to be paid by Mortgagor pursuant to this Mortgage, immediately thereupon shall, anything in the Note or in this Mortgage to the contrary notwithstanding, become due and payable, subject to the provisions of Section 3.09.

SECTION 2.03. (a) In case an Event of Default shall have happened and be continuing, then, upon written demand of Mortgagee, Mortgagor will pay to Mortgagee the whole amount which then shall have become due and payable on the Note, for interest or principal or both, or otherwise, as the case may be, and after the happening of said Event of Default will also pay to Mortgage interest at the rate provided in the Note on the then unpaid principal of the Note, and also pay all other sums required to be paid by Mortgagor pursuant to any provision of this Mortgage, and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection incurred by Mortgagee hereunder including reasonable compensation to Mortgagee, its agents, attorneys and counsel. Subject to the provisions of Section 3.09, in the event Mortgagor shall fail forthwith to pay such amounts upon such demand, Mortgagee, in its own name, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the amounts so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against Mortgagor and collect, out of the property of Mortgagor wherever situated, as well as out of the Mortgaged Property, in the manner provided by law, the moneys adjudged or decreed to be payable.

(b) Subject to the provisions of Section 3.09, Mortgagee shall, if permitted by law, be entitled to recover judgment as aforesaid either before or after or during the pendency of any proceedings for the enforcement of the lien and provisions of this Mortgage; and the right of Mortgagee to recover such judgment shall not be affected by any entry or

sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Mortgage, or the foreclosure of the lien hereof; and in the event of a sale of the Mortgaged Property, and of the application of the proceeds of sale to the payment of the debt secured hereby, as in this Mortgage provided, Mortgagee shall be entitled to enforce payment of, and to receive all amounts then remaining due and unpaid upon the Note, and to enforce payment of all charges, payments and costs due under this Mortgage, and shall be entitled to recover judgment for any portion of the Note remaining unpaid, with interest. In case there shall be pending proceedings for the bankruptcy or liquidation of assets or for the reorganization of Mortgagor under the Federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of Mortgagor or in case of any other similar judicial proceedings relative to Mortgagor, or to the creditors or property of Mortgagor, Mortgagee shall be entitled and empowered to prove against Mortgagor the whole amount of principal and interest due upon the Note to the full amount thereof, and all other payments, charges and costs due under this Mortgage, without deducting therefrom any proceeds obtained from the sale of the whole or any part of the Mortgaged Property, provided, however, that in no event shall Mortgagee receive a greater amount than such principal and interest and such other payments, charges and costs from the aggregate amount of the proceeds of the sale of the Mortgaged Property and the distribution from the estate of Mortgagor.

(c) No recovery of any judgment by Mortgagee and no levy of an execution under any judgment upon the Mort-

gaged Property or upon any other property of Mortgagor shall affect in any manner or to any extent, the lien of this Mortgage upon the Mortgaged Property or any part thereof, or any liens, rights, powers or remedies of Mortgagee hereunder, but such liens, rights, powers and remedies of Mortgagee shall continue unimpaired as before.

(d) Any moneys thus collected by Mortgagee under this Section 2.03 shall be applied by Mortgagee in accordance with the provisions of Subsection 2.02(c).

SECTION 2.04 After the happening of any Event of Default and immediately upon the commencement of any action, suit or other legal proceeding by Mortgagee to obtain judgment for the principal of, or interest on, the Note and other sums required to be paid by Mortgagor pursuant to any provisions of this Mortgage, or of any other nature in aid of the enforcement of the Note or of this Mortgage, Mortgagor will waive the issuance and service of process and enter its voluntary appearance in such action, suit or proceeding. Further, Mortgagor hereby consents to the appointment of a receiver or receivers of the Mortgaged Property and of all the earnings, revenues, rents, issues, profits and income thereof. After the happening of any Event of Default and during its continuance or upon the commencement of any proceedings to foreclose this Mortgage or to enforce the specific performance hereof or in aid thereof or upon the commencement of any other judicial proceeding to enforce any right of Mortgagee hereunder, Mortgagee shall be entitled, as a matter of right, if it shall so elect, without the giving of notice to any other party and without regard to the adequacy or inadequacy of any security for the indebtedness secured hereby, forthwith either before or after declaring the

Note to be due and payable, to the appointment of such a receiver or receivers.

SECTION 2.05. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity or by statute. No delay or omission of Mortgagee to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof or an acquiescence therein; and every power and remedy given by this Mortgage to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee. Nothing in this Mortgage or in the Note shall affect the obligation of Mortgagor to pay the principal of, and interest on, the Note in the manner and at the time and place therein respectively expressed.

SECTION 2.06. To the extent permitted by law, Mortgagor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the marshaling of the Mortgaged Property or any part thereof, prior or subsequent to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor,

after any such final sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted, by any governmental authority or otherwise, to redeem the property so sold or any part thereof; and Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Mortgagor hereby waives the right to require any sale to be made in parcels, or the right to select parcels to be so sold, and there shall be no requirement for marshalling of assets.

SECTION 2.07. During the continuance of any Event of Default and pending the exercise by Mortgagee of its right to exclude Mortgagor from all or any part of the Premises, Mortgagor agrees to pay the fair and reasonable rental value for the use and occupancy of the Mortgaged Property, to be applied against all sums secured by this Mortgage, for such period and upon default of any such payment, will vacate and surrender possession of the Premises to Mortgagee or to a receiver, if any, and in default thereof may be evicted by any summary action or proceeding for the recovery or possession of premises for non-payment of rent, however designated.

SECTION 2.08. During the continuance of any Event of Default, Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code (the "Code") of the jurisdiction in which the Premises are located, in addition to its right to foreclose this Mortgage. Mortgagee shall have the right to sell the Collateral (as hereinafter defined) or any part thereof, or any further, or ad-

ditional, or substituted Collateral, at one or more times, and from time to time, at public sale or sales or at private sale or sales, on such terms as to cash or credit, or partly for cash and partly on credit, as Mortgagee may deem proper. Mortgagee shall have the right to become the purchaser at any such sale or sales, free and clear of any and all claims, rights or equity of redemption in Mortgagor, all of which are hereby waived and released. Should any of the Collateral be sold to any party other than Mortgagee, on credit or for future delivery, the Collateral so sold may be retained by Mortgagee until the full sales price therefor is paid by the purchaser, and Mortgagee shall not be liable or responsible for the failure of such purchaser to take up, or pay for, any Collateral so sold but may, in such event, resell such Collateral. Mortgagor shall not be credited with the amount of any part of such purchase price, unless, until and only to the extent that such payment is actually received in cash. Notice of public sale, if given, shall be sufficiently given, for all purposes, if published not less than one nor more than seven days prior to any sale, in any newspaper of general circulation distributed in the City of Philadelphia, Commonwealth of Pennsylvania. The net proceeds of any sale of Collateral which may remain after the deduction of all costs, fees and expenses incurred in connection therewith, including, but not limited to, all advertising expenses, broker's or brokerage commissions, documentary stamps, recording fees, foreclosure costs, stamp taxes and counsel fees, shall be credited by Mortgagee against the liabilities, obligations and indebtedness of Mortgagor to Mortgagee secured by this Mortgage and evidenced by the Note. Subject to the provisions of Section 3.09,

Mortgagor shall remain fully liable for any deficiency which may remain on account of its liabilities, obligations and indebtedness to Mortgagee and shall be entitled to the payment or delivery of any net proceeds remaining as aforesaid. Any Collateral which may remain unsold after the full payment, satisfaction and discharge of all of the liabilities, obligations and indebtedness of Mortgagor to Mortgagee shall be returned to the respective parties which delivered the same to Mortgagee. If at any time Mortgagor or any other party shall become entitled to the return of any of the Collateral hereunder, any transfer or assignment thereof by Mortgagee shall be, and shall recite that the same is, made wholly without representation or warranty whatsoever by, or recourse whatsoever against Mortgagee. Mortgagor recognizes that Mortgagee may not have the usual opportunity for an orderly liquidation of the Collateral or part thereof, but may be compelled to resort to "private sales" of such Collateral, or part thereof, at a price or prices therefor which may be less than any fair market price or prices for said Collateral at the time of its sale. Mortgagor specifically authorizes Mortgagee to sell at Mortgagee's election, any or all of the Collateral at "private sale" or "private sales," at such price or prices therefor as may be negotiated directly between Mortgagee and the purchaser or purchasers of said Collateral, or any part thereof, whether or not said prices be less than the fair market price thereof at the time of such sale.

SECTION 2.09. For the purpose of procuring possession of the Mortgaged Property to Mortgagee upon the occurrence of an Event of Default and in addition to any and all other methods and remedies in law or in equity, or herein contained or contained in the Note, Mortgagor does hereby author-

ize and empower any attorney of the court of Common Pleas in the County of Philadelphia, Commonwealth of Pennsylvania, or any other court there or elsewhere, as attorney for Mortgagor, to sign an agreement for entering in any competent court an amicable action or judgment in ejectment for possession of the Mortgaged Property without any stay of execution, against Mortgagor and against all persons claiming under Mortgagor for the recovery by Mortgagee of possession of the Mortgaged Property, for which this Mortgage or a copy thereof verified by affidavit shall be a sufficient warrant; and thereupon a writ of possession may issue forthwith without any prior writ or proceeding whatsoever. It is hereby expressly agreed that, if for any reason after such action has been commenced the same shall be discontinued, marked satisfied of record or be determined, or possession of the Mortgaged Property shall remain in or be restored to Mortgagor, Mortgagee shall have the right for the same Event of Default or in the event of the occurrence of any subsequent Event of Default, to bring one or more further amicable actions in the manner hereinbefore set forth to recover possession of the Mortgaged Property; and Mortgagee shall have the right to bring such amicable action in ejectment after the filing of a complaint in mortgage foreclosure on this Mortgage, and after judgment thereon, and after a sale of the Mortgaged Property by the Sheriff. In any action a copy of this Mortgage verified by affidavit by someone on behalf of Mortgagee may be filed, in which event it shall not be necessary to file the original as a warrant of attorney, any law or rule of court to the contrary notwithstanding.

SECTION 2.10. All rights, remedies and powers provided by Sections 2.01-2.09 hereof may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the jurisdiction in which the Mortgaged Property is located, and all such provisions are intended to be subject to all applicable provisions of law which may be controlling in such jurisdiction and to be limited to the extent necessary so that they will not render this Mortgage invalid, illegal or unenforceable under the provisions of any applicable law.

ARTICLE III
MISCELLANEOUS

SECTION 3.01. In the event any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

SECTION 3.02. All notices, certificates or other communications shall be sufficiently given and shall be deemed given when deposited in a United States General or Branch Post Office if sent by certified or registered mail, postage prepaid, return receipt requested, addressed as follows: if to Mortgagee, at 7101 Wisconsin Avenue, Suite 1310, Bethesda, Maryland 20014, Attention: Anders J. Maxwell, Manager, with a copy to Weil, Gotshal & Manges, 767 Fifth Avenue, New York, New York 10022, Attention: Elihu Fier, Esq.; if to Mortgagor, at 7777 State Road, Philadelphia, Pennsylvania,

Attention: Jack Rose, with a copy to The Seltzer Organization, P.O. Box 325, Fort Washington, Pennsylvania 19034, Attention: Stephen Lewis, Esq.; Mortgagee and Mortgagor may, by written notice similarly given, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 3.03. Whenever in this Mortgage the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person or persons entitled to receive such notice.

SECTION 3.04. All of the grants, covenants, terms, provisions and conditions herein contained shall run with the land and shall apply to, bind and inure to the benefit of, the successors and assigns of Mortgagor and Mortgagee.

SECTION 3.05. This Mortgage may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same Mortgage.

SECTION 3.06. It shall be lawful for Mortgagee at its election, upon the occurrence of an Event of Default, to sue out forthwith a complaint in foreclosure upon this Mortgage and to proceed thereon to judgment and execution for the recovery of all sums payable by Mortgagee pursuant to the terms of this Mortgage without further stay, any law, usage or custom to the contrary notwithstanding.

SECTION 3.07. Notwithstanding the appointment of any receiver, liquidator or trustee of Mortgagor, or of any of its property, or of the Mortgaged Property or any part thereof, Mortgagee shall be entitled to retain possession and

control of all property now or hereafter held under this Mortgage.

SECTION 3.08. Mortgagor hereby waives and relinquishes unto and in favor of Mortgagee, all benefit under all laws, now in effect or hereafter passed, to relieve Mortgagor in any manner from the obligations assumed and the obligation for which this Mortgage is security or to reduce the amount of the said obligation to any greater extent than the amount actually paid for the Mortgaged Property, in any judicial proceedings upon the said obligation, or upon this Mortgage.

SECTION 3.09. Notwithstanding anything to the contrary contained in this Mortgage, the Note or in any other instruments securing the Note, if an Event of Default shall have occurred and be continuing hereunder, Mortgagee shall look solely to the Mortgaged Property and not to Mortgagor or its partners for the payment of any indebtedness evidenced by the Note or secured by this Mortgage.

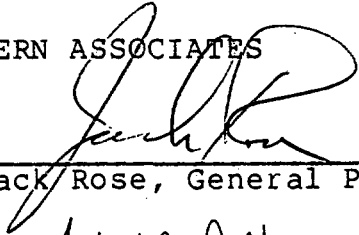
SECTION 3.10. This Mortgage constitutes a Security Agreement under the Code, so that Mortgagor shall have and may enforce a security interest in any or all of the Mortgaged Property which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate (collectively, the "Collateral"), and Mortgagor agrees to execute, as debtor, such financing statement or statements as Mortgagee may now or hereafter reasonably request in order that such security interest or interests may be perfected pursuant to the Code.

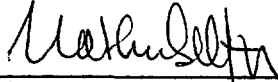
SECTION 3.11. This Mortgage shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

BUT PROVIDED ALWAYS, nevertheless, that if Mortgagor does and shall well and truly pay, or cause to be paid, unto Mortgagee the aforesaid debt or principal sum on the days and times hereinbefore in the Note mentioned and appointed for the payment of the same, together with interest as aforesaid, and any premiums of insurance as aforesaid and all sums advanced for payment of any taxes, water and sewer rents, charges and claims as aforesaid, without any fraud or further delay, and without any deduction, defalcation or abatement to be made of anything, for or in respect of any taxes, charges, or assessments whatsoever, that then, and from thenceforth as well this Mortgage and the estate hereby granted, as the said recited obligation shall cease, determine and become void, anything hereinbefore contained to the contrary thereof, in anywise notwithstanding.

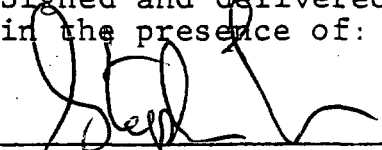
IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed by its duly authorized general partner as of the day and year first above written.

NORTHERN ASSOCIATES

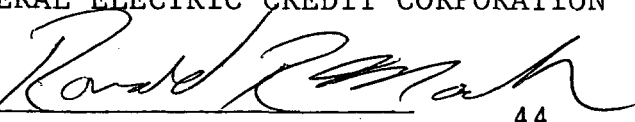
By 
Jack Rose, General Partner

By 
Nathan Seltzer, General Partner

Signed and delivered
in the presence of:


General Electric Credit Corporation
is executing this document as mortgagee
and for identification only.

GENERAL ELECTRIC CREDIT CORPORATION

Attest By: 

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF PHILADELPHIA) ss.:

On this 26th day of May, 1978, before me personally came JACK ROSE and NATHAN SELTZER, to me known to be the persons who executed the foregoing instrument, and who, being duly sworn by me, did depose and say that they are members of the firm of NORTHERN ASSOCIATES, a co-partnership, and that they executed the foregoing instrument in the firm name of NORTHERN ASSOCIATES, and that they had authority to sign the same, and they acknowledged to me that they executed the same as the act and deed of said firm for the uses and purposes therein mentioned.


Notary Public

GEORGE J. MIESZEK, Notary Public
Middletown Twp., Bucks Co.
My Commission Expires July 11, 1981

SCHEDULE A

ALL THAT CERTAIN lot or piece of ground with the buildings and improvements thereon erected, SITUATE in the 65th Ward of the City of Philadelphia described according to a survey and Plan of Property made for Northern Associates by Edward J. McGettigan Jr, Surveyor and Regulator of the 8th District dated April 26, 1978 to wit:-

BEGINNING at a point on the Southeasterly side of State Road (80 feet wide) which point is measured North 55 degrees 55 minutes 41 seconds East along the said Southeasterly side of State Road the distance of 2,074 feet 11 5/8 inches from a point of tangent which point of tangent is measured Northwardly on the arc of a circle curving to the right connecting the said Southeasterly side of State Road and the Northeasterly side of Bleigh Avenue (Variable width) having a radius of 15 feet 3 1/2 inches the arc distance of 26 feet 8 1/4 inches from a point of curve on the said Northeasterly side of Bleigh Avenue.

THENCE extending from said point of beginning North 55 degrees 55 minutes 41 seconds East along the said Southeasterly side of State Road the distance of 24 feet 0 inches to a point on the Northeasterly side of Proposed 24 feet wide Easement and a 60 feet wide Right of Way; thence South 34 degrees 12 minutes 22 seconds East along the said Northeasterly side of Proposed 24 feet wide Easement and the said 60 feet wide Right of Way 3368 feet 9 3/8 inches to a point on the Northwesterly Pierhead line of the Delaware River (Approved by the Secretary of War, September 10, 1940; thence South 52 degrees 42 minutes 41 seconds West along the said Northwesterly pierhead line 533 feet 4 7/8 inches to an angle point; thence South 69 degrees 24 minutes 38 seconds West still along the said Northwesterly Pierhead line approved by Secretary of War Sept. 10, 1940 837 feet 5 7/8 inches to a point; thence North 32 degrees 39 minutes 35 seconds West 1,296 feet 10 1/4 inches to a point; thence North 66 degrees 13 minutes 03 seconds East 1,309 feet 2 3/8 inches to a point on the Southwesterly side of said Proposed 24 feet wide Easement and therein the bed of said 60 feet wide Right of Way; thence North 34 degrees 12 minutes 22 seconds West along the said Southwesterly side of Proposed 24 feet wide Easement 2140 feet 10 1/8 inches to a point on the said Southeasterly side of State Road being the First mentioned point and place of beginning.

Together with easement over railroad tracks as in Declaration of Easements by Northern Associates, a Pennsylvania Partnership dated May 26, 1978 and intended to be recorded simultaneously herewith.

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

K

IMPORTANT — Read instructions on back before filling out form

ORDER FROM THE SHAW-WALKER CO.
405 LEXINGTON AVE.
N.Y.C. 10017This FINANCING STATEMENT is presented to a Filing Officer
for filing pursuant to the Uniform Commercial Code.No. of Additional
Sheets Presented: 3Maturity Date
3% (optional) June 1, 1988

1. Debtor(s) (Last Name First) and Address(es):

2. Secured Party(ies): Name(s) and Address(es):

4. For Filing Officer: Date, Time, No. Filing Office

NORTHERN ASSOCIATES
7777 State Road
Philadelphia,
PennsylvaniaGENERAL ELECTRIC CREDIT
CORPORATION
260 Long Ridge Road
Stamford, Connecticut

5. This Financing Statement covers the following types (or items) of property:

See Schedule A

6. Assignee(s) of Secured Party and Address(es)

☒ Proceeds —☐ Products of the Collateral are also covered.

8. Describe Real Estate Here:

See Schedule B

9. Name(s) of
Record
Owner(s):

No. & Street

Town or City

County

Section

Block

Lot

10. This statement is filed without the debtor's signature to perfect a security interest in collateral
(check appropriate box)

- ☐ under a security agreement signed by debtor authorizing secured party to file this statement, or
- ☐ already subject to a security interest in another jurisdiction when it was brought into this state, or
- ☐ which is proceeds of the original collateral described above in which a security interest was perfected.

NORTHERN ASSOCIATES

GENERAL ELECTRIC CREDIT CORPORATION

By

Signature(s) of Debtor(s)

Signature(s) of Secured Party(ies)

(1) Filing Officer Copy — Numerical Approved by the New York Secretary of State, the Texas Secretary of State

9/65 STANDARD FORM NEW YORK STATE FORM UCC-1 and the Secretary of the Commonwealth of Pennsylvania

SCHEDULE A

All of the right, title and interest of Debtor in and to all buildings, structures, improvements, bulkheads, docks, and piers now or hereafter erected on the property described in Schedule B (the "Land") or which are now or hereafter located in the waters adjoining the Land, including all plant equipment, apparatus, machinery and fixtures of every kind and nature whatsoever now or hereafter forming part of said buildings, structures, improvements, bulkheads, docks and piers (collectively the "Improvements"; the Land and the Improvements being collectively referred to as the "Premises"); and

All fixtures, fittings, appliances, apparatus, equipment, machinery and articles of personal property and replacements thereof owned or leased by Debtor, now or at any time hereafter affixed to, attached to, placed upon, or used in any way in connection with the complete and comfortable use, enjoyment, occupancy or operation of the Improvements (collectively, the "Chattels"); and

All leases of the Premises or the Chattels or any part thereof now or hereafter entered into and all right, title and interest of Debtor thereunder, including, without limitation, cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder and all rents, income and other benefits to which Debtor may now or hereafter be entitled from the Premises or the Chattels.

SCHEDULE A (Page 2)

Without limiting any of the foregoing, the
following specific equipment is also included:

<u>Item</u>	<u>Manufacturer</u>	<u>Model</u>	<u>Serial No.</u>	<u>Capacity</u>
Locomotive	General Electric	451	32467	45 Tons
*Fork Lift Truck	Taylor	WO Yardster	S8018938	62,000 lbs
Fork Lift Truck	Clark	CY 350	8-348	30,000 lbs
" " "	Silent Hoist	FKS 7 1/2	16152	15,000 lbs
*Fork Lift Truck	Allis Chalmers	55 LPS	102812	5,500 lbs
* " " "	" "	"	102813	"
* " " "	" "	"	102823	"
* " " "	" "	"	102824	"
* " " "	" "	"	102825	"
* " " "	" "	"	102826	"
* " " "	" "	"	102827	"
* " " "	" "	"	102828	"
* " " "	" "	"	102829	"
* " " "	" "	"	102830	"
* " " "	Towmotor	ME30	41W677	3,000 lbs
* " " "	"	"	41W678	"
* " " "	"	"	41W679	"
* " " "	"	"	41W680	"
* " " "	"	"	41W681	"
* " " "	"	"	41W682	"
* " " "	"	"	41W683	"
* " " "	"	"	41W597	"
Crane, Crawler	Manitowoc	4000W	40350	150 Tons
*Ottawa Commando		30	51243	
Yard Hustler				
Float Bridge				

*Leased from various lessors.

SCHEDULE B

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